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6 BEFORE THE WASHINGTON STATE
7 OFFICE OF THE INSURANCE COMMISSIONER

8 IN THE MATTER OF THE
9 APPLICATION REGARDING THE
10 CONVERSION AND ACQUISITION
11 OF CONTROL OF PREMIER BLUE
12 CROSS AND ITS AFFILIATES,

No. G02-45

DECLARATION OF LEEANN HALL

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WASHINGTON CITIZEN ACTION,
WELFARE RIGHTS ORGANIZING
COALITION, AMERICAN LUNG
ASSOCIATION OF WASHINGTON,
NORTHWEST FEDERATION OF
COMMUNITY ORGANIZATIONS,
NORTHWEST HEALTH LAW
ADVOCATES, SERVICE EMPLOYEES
INTERNATIONAL UNION
WASHINGTON STATE COUNCIL,
THE CHILDREN'S ALLIANCE,
WASHINGTON ACADEMY OF
FAMILY PHYSICIANS,
WASHINGTON ASSOCIATION OF
CHURCHES, WASHINGTON
PROTECTION AND ADVOCACY
SYSTEM AND WASHINGTON STATE
NOW,

Applicants for Intervention.

1 I, LeeAnn Hall, declare:

2 1. I am the Executive Director of Northwest Federation of
3 Community Organizations (NWFCO). I have been director of NWFCO since its
4 founding in 1993.

5 2. NWFCO is a regional network of statewide citizen action
6 organizations. NWFCO is currently composed of five member organizations: Idaho
7 Community Action Network (ICAN), Montana People's Action (MPA), Oregon Action
8 (OA), and Washington Citizen Action (WCA). Together, these groups have over 65
9 years of experience organizing low- and moderate-income people, and each group is
10 the preeminent voice of lower-income families in its state. NWFCO provides policy
11 support and technical assistance to its member organizations on healthcare and other
12 issues. Barbara Flye, the Executive Director of WCA, and Deana Knutsen, a
13 community leader and member of the Board of Directors of WCA, both sit on
14 NWFCO's Board of Directors.

15 3. Because access to health care is of paramount importance to
16 NWFCO's affiliate organizations and their members, NWFCO has been a leader in
17 providing research, analysis, and advocacy in health care access campaigns. As a
18 result of NWFCO's health care access leadership, health care consumers in
19 Washington, Oregon, Montana, and Idaho benefit from patient protections in managed
20 care, access to community benefits and hospital free care, and increased access to
21 publicly funded programs such as Medicaid, the Children's Health Insurance Program,
22 and Basic Health. NWFCO is also providing key support in the fight to secure more
23 reasonable drug pricing from prescription drug manufacturers and access to
24 prescription drugs for uninsured or underinsured health care consumers.

1 4. NWFCO has monitored health care conversions and advocated on
2 behalf of community members since the mid-1990s. By analyzing proposed health care
3 conversions, NWFCO has gained substantial expertise in assessing and promoting
4 community interests with regard to health care conversions. NWFCO also provides
5 support for and works closely with WCA, which has also monitored health care
6 conversions and advocated on behalf of community members since the mid-1990s.

7 5. In 1997 and 1998, in collaboration with WCA, NWFCO advocated
8 for passage of SB 5227, which ensures the protection of nonprofit assets held by
9 hospitals in the event of hospitals' conversion to for-profit. The legislation passed
10 unanimously in the Senate and overwhelmingly in the house and, today, Washington's
11 Hospital Conversion law stands as one of the most comprehensive in the country.

12 6. NWFCO was also involved in the conversion of PACC Health
13 Plans and Health Maintenance Organization in 1997. NWFCO assisted WCA to
14 participate in an Oregon public hearing and submitted testimony to urge the inclusion
15 of the people of southwest Washington state in the mission, purposes and potential
16 beneficiaries of the Northwest Health Foundation, the foundation formed as a result of
17 the conversion of PACC.

18 7. Growing out of its work on health conversions, NWFCO and WCA
19 turned to an examination of the role and commitment of nonprofit health corporations
20 to their local communities. The organizations launched a project focusing on defining
21 and expanding the community benefits provided by nonprofit health corporations. As
22 part of its efforts, WCA intervened in the Certificate of Need process when a local
23 Tacoma hospital was taken over by an out of state corporation in order to obtain new
24 commitments to provide the community with increased charity care and other services.
25 NWFCO also assisted WCA in negotiations with the Sisters of Providence and Swedish
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1 Health Systems during their recent merger to obtain commitments from both
2 organizations regarding increased community benefits. NWFCO and WCA also
3 surveyed the charity care procedures of hospitals around the state, and released a
4 report entitled Not Making the Grade: Washington Nonprofit Hospitals Fail in Their
5 Charity Care Mission.

6 8. In 1997, NWFCO together with its member organization, ICAN,
7 monitored a proposed joint venture involving Wellpoint Health Networks, the for-
8 profit Blue Cross licensee in California that was formed as a result of the recent
9 conversion. NWFCO assisted ICAN to file an administrative petition regarding the
10 proposed transaction, and issued a report, Is Wellpoint Singing the Idaho Blues? A
11 History of Wellpoint Health Networks in California and Its Proposed Joint Venture
12 With Blue Cross of Idaho. As a result of the research, analysis and legal assistance
13 provided by NWFCO, ICAN secured a commitment from the Idaho Attorney General
14 to seek legislation that would ensure the protection of nonprofit health care assets in
15 the event of conversions, mergers, and joint ventures.

16 9. In March 2001, when Regence BlueShield announced its plans to
17 “affiliate” with Health Care Service Corporation (HCSC) of Illinois, NWFCO convened
18 consumer and provider groups from Washington, Oregon, and Idaho to call for
19 scrutiny of the proposed transaction and protection of the nonprofit assets held by
20 Regence. NWFCO worked with legal experts to analyze the proposal and draw
21 attention to how it would have resulted in a transfer of control over Regence to HCSC,
22 with no provision for the required charitable set-aside.

23 10. NWFCO has assisted WCA in numerous other health care access
24 campaigns. These include campaigns for the Washington Patient Bill of Rights,
25 protection of Medicaid coverage and affordability, access to individual market
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1 insurance, and availability of community benefits and hospital charity care, among
2 others.

3 11. Providing policy support and technical assistance to its affiliate
4 organizations and their members is central to NWFCO's mission. The low and
5 moderate-income members of NWFCO's affiliates benefit from the expertise that
6 NWFCO has developed in areas of deep concern to the affiliates' respective
7 memberships. WCA and its members rely on NWFCO to provide expertise and
8 analysis on issues affecting access to health care. Accordingly, NWFCO has a
9 significant interest in the Premera conversion, because it supports WCA to represent
10 the interests of its members and WCA has a significant interest in the Premera
11 conversion. See Declaration of Barbara Flye.

12 12. NWFCO is also concerned about how a conversion of Premera
13 could affect the health care in the region in general. NWFCO has affiliates in Idaho,
14 Montana, and Oregon. Like WCA, these affiliates have low-income members and
15 members with chronic health conditions, and they would be particularly impacted by
16 changes in the health care system. In particular, NWFCO is concerned that Premera's
17 conversion could encourage conversion of other health plans, such as Regence
18 BlueShield, which has affiliates in Idaho and Oregon. Furthermore, many residents of
19 Idaho and Oregon receive health care in Washington State. NWFCO has a significant
20 interest in the Premera conversion, because it supports its affiliates in their
21 representation of their members, who have a significant interest in the outcome of
22 Premera's conversion proposal.

23 13. NWFCO, together with the other ten consumer and provider
24 groups that have jointly intervened, intends to conduct an analysis of the health impact
25 of the Premera conversion. NWFCO and the other ten groups will need to be provide
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1 sufficient access to discovery in order to conduct the health impact analysis and
2 evaluation necessary to protect the public's interest in the conversion of Premera.

3 I declare under penalty of perjury of the laws of the State of Washington
4 that the foregoing is true and correct.

5 DATED this ____ day of November, 2002, at Seattle, Washington.

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8 LeeAnn Hall
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